

## Message Text

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54

ACTION EUR-25

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NSAE-00 RSC-01 SIL-01 PRS-01 PA-04 USIA-15 PER-05

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R 101147Z APR 74

FM AMEMBASSY OSLO

TO SECSTATE WASHDC 8076

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

UNCLAS OSLO 1519

EO 11652: N/A

TAGS: ELAB NO

SUBJECT: AGREEMENT REACHED IN NORWEGIAN WAGE NEGOTIATIONS

REF: OSLO A-64

SUMMARY. AGREEMENT WAS REACHED DURING ALL-NIGHT NEGOTIATIONS APRIL 3-4 BETWEEN NORWAY'S IRON AND METAL UNION AND METAL MANUFACTURING EMPLOYER ASSOCIATION, THUS DISPELLING, AT LEAST FOR THE MOMENT, THE THREAT OF AN AFTER-EASTER STRIKE IN THIS KEY INDUSTRY. THE AGREEMENT, BASED ON A RECOMMENDATION BY THE STATE MEDIATOR, WILL BE SUBMITTED TO A NATIONAL REFERENDUM BY THE WORKERS APRIL 26, WHICH IS EXPECTED TO BE HOTLY CONTESTED. IF APPROVED, THE AGREEMENT IS EXPECTED TO SET THE PATTERN FOR THE OTHER COMPONENTS OF THE SPRING WAGE-PRICE-INCOME BARGAINING AFFECTING ABOUT THREE QUARTERS OF UNCLASSIFIED

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NORWAY'S LABOR FORCE (SEE REPAIR). END SUMMARY.

1. EARLY APRIL 4, NEGOTIATORS FOR THE NORWEGIAN IRON AND METAL WORKERS' UNION AND METAL MANUFACTURING (MEKANISKE VERKSTED) EMPLOYERS' ASSOCIATION TENTATIVELY AGREED ON A TWO-YEAR WAGE CONTRACT, BASED ON AN OUTLINE PROPOSED TO THEM BY STATE MEDIATOR PREBEN MUNTHE, WHEN NEGOTIATIONS WERE RESUMED AT HIS REQUEST APRIL 3. MAJOR POINTS IN THE SETTLEMENT ARE:  
1) A ONE-AND-A-QUARTER KRONER (ABOUT TWENTY-TWO-AND-A-HALF US CENTS) ACROSS THE BOARD INCREASE THE FIRST YEAR AND ONE KRONER THE SECOND (ABOUT EIGHTEEN CENTS)--AVERAGING ABOUT 6.25 PERCENT THE FIRST YEAR AND 5 PERCENT THE SECOND, 2) AN AUTOMATIC COST-OF-LIVING INCREASE BASED ON THE DECEMBER 15 INDEX, EQUIVALENT TO 81 PERCENT COMPENSATION, AND A NEGOTIATED INCREASE BASED ON THE SEPTEMBER 15, 1975 INDEX, 3) AN INCREASE IN THE GEOGRAPHIC UNIFORMITY (OR WAGE-DRIFT-SPREADING) CLAUSE SO THAT WORKERS GET AT LEAST 87 PERCENT (RATHER THAN 85 PERCENT AS HERETOFORE) OF THE NATIONAL AVERAGE WAGE FOR THEIR JOB, AND 4) OVERTIME AND SHIFT DIFFERENTIAL INCREASES.

2. THE SETTLEMENT WAS APPROVED BY ONLY VERY NARROW MAJORITIES IN THE UNION'S NEGOTIATING COMMITTEE AND EXECUTIVE BOARD. IT WILL BE DISCUSSED IN A NATIONWIDE SERIES OF REGIONAL MEETINGS INVOLVING ABOUT 1500 LOCAL UNION OFFICERS APRIL 18-23, BEFORE SUBMITTED TO A NATIONAL REFERENDUM BY THE WORKERS APRIL 26. LEADING THE OPPOSITION IS RAGNAR KALHEIM OF THE FAR LEFT SOCIALIST ELECTORAL LEAGUE (SV), WHO WAS REELECTED PRESIDENT OF OSLO LOCAL ONE, THE LARGEST LOCAL OF IRON AND METAL, BY THE NARROW MARGIN OF 15 VOTES OUT OF 616 ELECTED REPRESENTATIVES VOTING AT THE LOCAL'S ANNUAL MEETING LATE IN MARCH.

3. THE ISSUE IS THE COST-OF-LIVING CLAUSE--THE UNION HAD ASKED FOR FULLY AUTOMATIC, 100 PERCENT COMPENSATION BOTH YEARS--AND LABOR PARTY SYMPATHIZERS ARE DIVIDED ON IT. NORMAL NEGOTIATED COST-OF-LIVING COMPENSATION HAS BEEN 50-70 PERCENT IN THE PAST. RANK-AND-FILE OPINION IS ALSO DIVIDED, AS ARE LOCAL UNION LEADERS' PREDICTIONS AS TO THE OUTCOME IN THE ONE IMPORTANT AREA (OSTFOLD) VISITED SINCE APRIL 4. HOWEVER, LABOR PARTY OPTIMISM IN THE TRADE UNIONS SEEMS TO BE GROWING (LABOR PARTY STALWART KAARE FISKESETH, WHO DOWNPLAYED POLITICS, OUSTED OUTSPOKEN COMMUNIST ALTERNATE STORTINGSMAN OVE LARSEN UNCLASSIFIED

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AS COMMON STEWARD FOR ALL THE PLANTS OF THE IMPORTANT AKER INDUSTRIAL GROUP BY A VOTE OF 2681 TO 1550, LATE IN MARCH), AND THE EMBASSY HAS HEARD COMMENTS THAT IRON AND METAL WORKERS ARE NOT IN A MOOD TO SACRIFICE THEIR INCOMES AND GOOD LIFE FOR A STRIKE AT THIS TIME, ESPECIALLY FOR SUCH A SMALL DIFFERENCE. JUST AFTER THE GOVERNMENT'S ECONOMIC MEASURES HAVE GIVEN THEM REASON TO HOPE FOR ABOUT A FOUR PERCENT INCREASE IN REAL INCOME AS A RESULT OF THE NEGOTIATIONS; SINCE THEY CAN COUNT ON

WAGE DRIFT OF ABOUT 6 PERCENT. BYRNE

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## Message Attributes

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